

**MICHIGAN PUBLIC SERVICE COMMISSION**

**MICHIGAN ENERGY EFFICIENCY GRANT  
(CASE NO. U-13129)**

**REQUEST FOR PROPOSAL  
(TECHNOLOGY – *MICHIGAN SAVES*)**

**FEBRUARY 13, 2009**

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# **MICHIGAN ENERGY EFFICIENCY GRANT REQUEST FOR PROPOSAL**

## **PART I**

### **GENERAL GRANT INFORMATION**

*(PLEASE READ AND RETAIN FOR FUTURE REFERENCE)*

#### **I-A Statement of Purpose**

The purpose of this Request for Proposal (RFP) is to solicit proposals for the creation of a statewide, innovative energy efficiency and distributed renewable energy financing system called *Michigan Saves*. Monies from the grant will be used to establish an administrative structure that is fully capable of administering an ongoing *Michigan Saves* system. The *Michigan Saves* system will be established through a Michigan Energy Efficiency (MIEEG) grant, derived from two funding sources: (1) the Low Income and Energy Efficiency Fund, and (2) monies awarded to the State of Michigan from the United States Department of Energy. The financing system will be available to residential, industrial, and commercial utility customers in Michigan, including those of Commission-regulated and unregulated utilities.

The total amount available for this MIEEG is \$8,105,000. It is anticipated the grant will be awarded in a Michigan Public Service Commission Order in March 2009, and the grant period is expected to begin on May 6, 2009 and end September 30, 2011.

The grant-awarded from this solicitation will support actual expenditures incurred within the grant period and that are supported by source documentation (further defined in Part II, Section II-G, Accounting). This RFP provides interested parties sufficient information to enable them to prepare and submit a proposal, including a six-page executive summary of the proposal, budget, budget narrative, and a timeline. Refer to the Part V, Information Required from Applicant.

#### **I-B Eligibility Requirements**

To be eligible to receive a grant under this RFP, the applicant must be a nonprofit, public or private organization. A public organization is considered to be a governmental agency or an educational institution.

#### **I-C Issuing Office and Funding Source**

This RFP is issued by the Michigan Public Service Commission (Issuing Office or Commission), an agency within the Department of Energy, Labor & Economic Growth. The Commission is the point of contact for this RFP for purposes of grant administration. The contact person at the Commission is:

Cornell Pettiford, Grant Administrator  
Michigan Public Service Commission  
Management Services Division  
6545 Mercantile Way  
Lansing, MI 48911

The initial funding source for this grant is the Low-Income and Energy Efficiency Fund (LIEEF) established by 2000 PA 141, MCL 460.10d(6). The Michigan Public Service Commission is the administrator of the LIEEF.

On February 20, 2004, the Commission issued an order in Case No. U-13808 granting interim rate relief, rolling securitization savings into base rates for Detroit Edison's electric customers and continued funding of the LIEEF as part of the utility's cost of service. The funding mechanism for the LIEEF was affirmed in the Commission's final order issued on November 23, 2004, authorizing Detroit Edison to provide \$39.9 million annually to the LIEEF.

On December 22, 2005, the Commission issued an order in Case No. U-14347 authorizing Consumers Energy to provide \$26.5 million annually to the LIEEF from its electric customers. On November 21, 2006, the Commission issued an order in Case No. U-14547 authorizing Consumers Energy to provide \$17.4 million annually to the LIEEF from its natural gas customers.

This grant will also be funded by monies awarded to the State of Michigan by the United States Department of Energy.

#### **I-D    Review Process**

Applicants must submit a six-page executive summary of the proposal. Each executive summary will be reviewed by the evaluation team to determine the degree to which the proposed project fits with the grant objectives, whether the organization meets the eligibility requirements, and the benefits to be gained if the project is funded, see Part VI, Selection Criteria. Each executive summary will receive an evaluation as to whether or not, given the project description provided, it compares "favorably" or "unfavorably" to the selection criteria. Favorable and unfavorable determinations will be defined by the degree of adherence to the selection criteria provided in Part VI, and the objectives of the Commission. If an executive summary receives an "unfavorable" rating, the applicant's full proposal will not be further evaluated. If an executive summary receives a "favorable" rating, the applicant's full proposal will be reviewed and evaluated in its entirety according to the selection criteria described in Part VI. A determination that the executive summary compares favorably to the selection criteria does not guarantee that the applicant will be funded.

#### **I-E    Grant Award**

Grant award negotiations will be undertaken with the applicant whose proposal shows the organization to be responsible, highly qualified, and capable of performing the project within the

established timeline. It is expected that one grant will be awarded. The total amount available for this grant is \$8,105,000.

#### **I-F Rejection of Proposals**

The State reserves the right to reject any and all proposals received as a result of this RFP.

#### **I-G Incurring Costs**

The State of Michigan is not liable for any cost incurred by an applicant prior to issuance of a Grant Agreement.

#### **I-H Pre-Proposal Conference**

No pre-proposal conference will be held for this RFP. Inquiries should be submitted as outlined in Part I, Section I-I, Inquiries.

#### **I-I Inquiries**

Questions that arise as a result of this RFP must be submitted **no later than 5:00 p.m., March 6, 2009**. Inquiries may be submitted electronically to the Issuing Office at [mpsc-grants@michigan.gov](mailto:mpsc-grants@michigan.gov), or made in writing to the attention of the Grant Administrator, Michigan Public Service Commission, Management Services Division, 6545 Mercantile Way, Lansing, Michigan 48911. All inquiries should reference the MIEEG – *Michigan Saves*, Case No. U-13129.

Inquiries will be responded to and posted on the Commission's website at [www.michigan.gov/lieefund](http://www.michigan.gov/lieefund), under "Questions & Answers."

#### **I-J Changes to the RFP**

Written answers to questions that change or substantially clarify the RFP will be provided to all prospective applicants on the Commission's website at [www.michigan.gov/lieefund](http://www.michigan.gov/lieefund).

#### **I-K Due Date**

To be considered for a grant award, a complete proposal in response to this RFP must be received in the Issuing Office **no later than 5:00 p.m., March 13, 2009**. Proposals must reference MIEEG – *Michigan Saves*, Case No. U-13129. Proposals may be submitted electronically to [mpsc-grants@michigan.gov](mailto:mpsc-grants@michigan.gov) no later than 5:00 p.m. on the due date. A

confirmation will be sent by the Issuing Office within 24 hours of receipt of the proposal. If a confirmation is not received, applicant must contact the Grant Administrator identified in Section I-C, Issuing Office and Funding Source.

Applicants unable to submit a proposal electronically must mail or deliver one original proposal with signature, and 10 additional copies of same to the Issuing Office, Management Services Division, 6545 Mercantile Way, Lansing, Michigan 48911. Proposals must be received by the Issuing Office **no later than 5:00 p.m., March 13, 2009**. Fax proposals will not be accepted. Proposals hand delivered to the Issuing Office shall be accompanied with a pre-printed receipt, provided by the applicant, indicating proposals were “Hand Delivered.”

### **I-L Proposals**

To be considered, applicants must submit a complete response to this RFP, using the format specified in Part V, Information Required from Applicant. The proposal must be signed by an official authorized to bind the applicant to the provisions of this RFP. For this RFP, the proposal must remain valid for at least 90 days.

### **I-M Acceptance of Proposal Content**

The contents of this RFP and the proposal of the selected applicant may become grant obligations if a grant award ensues. Failure of the selected applicant to accept these obligations may result in cancellation of the award.

### **I-N Economy of Preparation**

Proposals should be prepared simply and economically, providing a straight-forward, concise description of the applicant’s ability to meet the requirements of the RFP using the format provided in Part V, Information Required from Applicant. Hardcopy proposals may be binder clipped. Staples, fancy bindings, colored displays, promotional materials, and so forth, are not desired. Emphasis should be on completeness and clarity of content.

### **I-O Oral Presentation**

Applicants may be required to make an oral presentation of their proposal to the State. These presentations provide opportunity for the applicant to clarify the proposal to ensure mutual understanding. The Issuing Office will schedule these presentations if deemed necessary.

### **I-P Prime Applicant Responsibilities**

The selected applicant will be required to assume responsibility for all services offered in their proposal whether or not they possess them within their organization. Further, the State will

consider the selected applicant to be the sole point of contact with regard to grant matters, including payment of any and all charges resulting from the grant.

## **I-Q Partner Responsibilities**

Organization(s) partnering with selected applicant must comply with the requirements of the RFP and will be held to the same standards as prime applicants. Partnering organizations must respond to Section V, Information Required from Applicant and must make grant accounting records available for audit by the Issuing Office in accordance with Part II, Section II-G, Accounting, and Section II-H, Audit. Organizations partnering with selected applicants must enter into a partnership agreement. A copy of the partnership agreement must be provided to the Grant Administrator.

## **I-R Grant Payment Schedule**

Payment for any grant entered into as a result of this RFP will be made according to the following:

### **Administrative Structure Payments:**

Up to \$1,605,000 will be available during the grant period for administrative and operational expenses, including the establishment of the *Michigan Saves* administrative structure.

An initial advance of \$722,250 (45%) will be made to the grantee upon receipt by the Grant Administrator of a signed agreement. An additional advance of \$722,250 may be provided upon submission of a grantee request showing 90% of the previous advance has been expended (supported with computer printouts of accounts, general ledger sheets, etc.), and an appropriate level of progress has been made toward completing the set up of the *Michigan Saves* administrative structure. The final \$160,500 (10%) of the administrative portion of the grant will be held back pending completion of the *Michigan Saves* administrative structure, and submission of a final payment request showing previously advanced funds have been expended (supported with computer printouts of accounts, general ledger sheets, etc.)

### **Trust Fund Payment:**

After a satisfactory administrative structure is in place, a disbursement of \$6,500,000 will be made to establish the corpus of the trust fund.

Public Act 279 of 1984, MCL 17.52, states that the State shall take all steps necessary to assure that payment for goods or services is mailed within 45 days after receipt of the goods or services, a complete invoice for goods or services, or a complete contract for goods or services, whichever is later.



**I-S News Releases**

News releases pertaining to this RFP or the service, study or project to which it relates shall not be made without prior State approval and coordination with the Michigan Public Service Commission.

**I-T Disclosure of Proposal Contents**

The information in all proposals and any grant resulting from the RFP are subject to disclosure under the Michigan Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231, *et seq.*

**I-U Copyrighted Materials**

The selected applicant shall agree to grant to the State a nonexclusive, irrevocable license to reproduce, translate, publish, use, and dispose of all copyrightable material developed as a result of the project.

## **PART II**

### **GENERAL PROVISIONS**

#### **II-A Project Changes**

The selected applicant *must* obtain prior written approval for major project changes from the Grant Administrator.

#### **II-B Record Retention**

The selected applicant shall retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of seven (7) years or greater as provided by law following the creation of the records or documents.

#### **II-C Program Income**

To the extent that it can be determined that interest was earned on advances of funds, such interest shall be remitted to the grantor. All other program income shall either be added to the project budget and used to further eligible program objectives, or deducted from the total program budget for the purpose of determining the amount of reimbursable costs. The final determination shall be made by the Grant Administrator.

#### **II-D Share-in-Savings**

The grantor expects to share in any cost savings realized by the selected applicant. Therefore, final grantee reimbursement will be based on actual expenditures. Exceptions to this requirement must be approved in writing by the Grant Administrator.

#### **II-E Order of Spending**

Unless otherwise required, the selected applicant shall expend funds in the following order: (1) private or local funds, (2) federal funds, and (3) state funds. The selected applicant is responsible for securing any required matching funds from sources other than the State.

#### **II-F Purchase of Equipment**

The purchase of equipment not specifically listed in the budget must have prior written approval of the Grant Administrator. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by the selected applicant unless otherwise specified at the time of approval.

## **II-G Accounting**

The selected applicant shall adhere to the Generally Accepted Accounting Principles and shall maintain records which will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. The selected applicant's overall financial management system must ensure effective control over and accountability for all funds received. Accounting records must be supported by source documentation including, but not limited to, balance sheets, general ledgers, time sheets and invoices. The expenditure of State funds shall be reported by line item and compared to the budget.

## **II-H Audit**

The selected applicant agrees that the State may, upon 24-hour notice, perform an audit and/or monitoring review at applicant's location(s) to determine if the selected applicant is complying with the requirements of the Grant Agreement. The selected applicant agrees to cooperate with the State during the audit and/or monitoring review and produce all records and documentation that verifies compliance with the Grant Agreement requirements. The grantor may require the completion of an audit before final payment.

If a selected applicant is a recipient of Low-Income and Energy Efficiency funds and receives \$100,000 or more in any 12-month period, then the selected applicant is required to submit an audited financial report to the grantor within thirty (30) days after the completion of the audit; but no later than nine (9) months after the end of the grantee's fiscal year.

## **II-I Competitive Bidding**

The selected applicant agrees that all procurement transactions involving the use of State funds shall be conducted in a manner that provides maximum open and free competition. When competitive selection is not feasible or practical, the selected applicant agrees to obtain the written approval of the Grant Administrator before making a sole source selection. Sole source contracts should be negotiated to the extent that such negotiation is possible.

## **II-J Liability**

The State is not liable for any costs incurred by the selected applicant before the start date or after the end date of the Grant Agreement. Liability of the State is limited to the terms and conditions of the Grant Agreement and the grant amount.

## **II-K Intellectual Property**

All deliverables shall be owned by the grantor and shall be considered works made for hire by the selected applicant for the grantor. The grantor shall own all United States and international copyrights, trademarks, patents or other proprietary rights in the deliverables.

With the sole exception of any preexisting licensed works, the selected applicant shall assign, and upon creation of each deliverable automatically assigns, to the grantor, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every deliverable, whether or not registered by the selected applicant, insofar as any such deliverable, by operation of law, may not be considered work made for hire by the selected applicant for the grantor. From time to time upon grantor's request, the selected applicant and/or its personnel shall confirm such assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The grantor shall have the right to obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for deliverables.

## **II-L Safety**

The selected applicant, all contractors, and subcontractors are responsible for insuring that all precautions are exercised at all times for the protection of persons and property. Safety provisions of all applicable laws and building and construction codes shall be observed. The selected applicant, contractors, and every subcontractor are responsible for compliance with all federal, state and local laws and regulations in any manner affecting the work or performance of the Grant Agreement and shall at all times carefully observe and comply with all rules, ordinances, and regulations. The selected applicant, all contractors and subcontractors shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of the Grant Agreement.

## **II-M Indemnification**

### **(1) General Indemnification**

To the extent permitted by law, the selected applicant shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the selected applicant in the performance of the Grant Agreement and that are attributable to the negligence or tortious acts of the selected applicant or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

### **(2) Employee Indemnification**

In any and all claims against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the selected applicant or any of its subcontractors, the indemnification obligation under the Grant Agreement shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the selected applicant or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to

some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

(3) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the selected applicant shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service developed or supplied by the selected applicant or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

The selected applicant's duty to indemnify pursuant to this section continues in full force and effect, notwithstanding the expiration or early cancellation of the Grant Agreement, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

## **II-N Cancellation**

The State may terminate the Grant Agreement without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

(1) Termination for Cause

In the event that selected applicant breaches any of its material duties or obligations under the Grant Agreement or poses a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may terminate the Grant Agreement immediately in whole or in part, for cause, as of the date specified in the notice of termination. In the event that the Grant Agreement is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, selected applicant shall be responsible for all costs incurred by the State in terminating the Grant Agreement, including but not limited to, State administrative costs, reasonable attorney's fees and court costs, and any reasonable additional costs the State may incur.

(2) Termination for Convenience

The State may terminate the Grant Agreement for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Grant Agreement, (b) relocation of office, program changes, changes in laws, rules, or regulations

make implementation of the services no longer practical or feasible. The State may terminate the Grant Agreement for its convenience, in whole or in part, by giving selected applicant written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Grant Agreement in part, the budget shall be equitably adjusted to reflect those reductions.

(3) Non-Appropriation

Selected applicant acknowledges that continuation of the Grant Agreement is subject to appropriation or availability of funds for the Grant Agreement. If funds to enable the State to effect continued payment under the Grant Agreement are not appropriated or otherwise made available (including the federal government suspending or halting the program or issuing directives preventing the State from continuing the program), the State shall have the right to terminate this Grant Agreement, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to selected applicant. The State shall give selected applicant at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff). In the event of a termination under this section, the selected applicant shall, unless otherwise directed by the State in writing, immediately take all reasonable steps to terminate its operations and to avoid and/or minimize further expenditures under the Grant Agreement.

(4) Criminal Conviction

The State may terminate the Grant Agreement immediately and without further liability or penalty in the event selected applicant, an officer of selected applicant, or an owner of a 25% or greater share of selected applicant is convicted of a criminal offense incident to the application for, or performance of, a state, public or private contract or subcontract or grant; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon selected applicant's business integrity.

(5) Approvals Rescinded

The State may terminate the Grant Agreement without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to selected applicant or may be effective as of the date stated in such written notice.

## **II-O No State Employees or Legislators**

No member of the Legislature or Judiciary of the State of Michigan or any individual employed by the State shall be permitted to share in the Grant Agreement, or any benefit that arises from the Grant Agreement.

## **II-P Non-Discrimination**

In the performance of the Grant Agreement, selected applicant agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Selected applicant further agrees that every subcontract entered into for the performance of the Grant Agreement will contain a provision requiring non-discrimination in employment, as here specified, binding upon each subcontractor. This covenant is required pursuant to the Elliott Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.* and the Persons with Disabilities Civil Rights Act, 1976 PA 200, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Grant Agreement.

## **II-Q Unfair Labor Practices**

Pursuant to 1980 PA 278, MCL 423.231, *et seq.*, the State shall not award a grant or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A selected applicant, in relation to the Grant Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Grant Agreement if, subsequent to award of the Grant Agreement, the name of grantor as an employer or the name of the subcontractor, manufacturer or supplier of grantor appears in the register.

## **II-R Certification Regarding Debarment**

The selected applicant certifies, by signature to the Grant Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Grant Agreement by any federal or state department or agency. If the selected applicant is unable to certify to any portion of this statement, the selected applicant shall attach an explanation to the Grant Agreement.

## **II-S Illegal Influence**

(1) The selected applicant certifies, to the best of his or her knowledge and belief that:

(a) No federal appropriated funds have been paid nor will be paid, by or on behalf of the selected applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

(b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this grant, the selected applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The selected applicant shall require that the language of this certification be included in the award documents for all grant or subcontracts and that all subrecipients shall certify and disclose accordingly.

The State has relied upon this certification as a material representation. Submission of this certification is a prerequisite for entering into this Grant Agreement imposed by 31 USC § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(2) The selected applicant certifies, to the best of his or her knowledge and belief that no state funds have been paid nor will be paid, by or on behalf of the selected applicant, to any person for influencing or attempting to influence an officer or employee of any State agency, a member of the Legislature, or an employee of a member of the Legislature in connection with the awarding of any State contract, the making of any State grant, the making of any State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State contract, grant, loan or cooperative agreement.

## **II-T Governing Law**

The Grant Agreement shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.



## **II-U Compliance with Laws**

Selected applicant shall comply with all applicable State, federal, and local laws and ordinances (“Applicable Laws”) in performing this Grant Agreement.

## **II-V Jurisdiction**

Any dispute arising from the Grant Agreement shall be resolved in the State of Michigan. With respect to any claim between the parties, selected applicant consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

## **II-W Assignment**

Selected applicant shall not have the right to assign the Grant Agreement, or to assign or delegate any of its duties or obligations under the Grant Agreement, to any other party (whether by operation of law or otherwise), without the prior written consent of the grantor. Any purported assignment in violation of this section shall be null and void.

## **II-X Entire Grant Agreement**

The Grant Agreement, including any Attachments, will constitute the entire Grant Agreement between the parties with respect to the grant and supersedes all prior Grant Agreements, whether written or oral, with respect to such subject matter.

## **II-Y Independent Contractor Relationship**

The relationship between the State and selected applicant is that of client and independent Contractor. No agent, employee, or servant of selected applicant or any of its Subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason. Selected applicant will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of the Grant Agreement.

## **II-Z Conflicts**

In the event of a conflict between the terms of the Grant Agreement and any federal or State laws or regulations, the federal or State laws or regulations will supersede any contrary term contained in the Grant Agreement.

## **PART III**

### **WORK STATEMENT**

#### **III-A Purpose**

The purpose of this RFP is to solicit proposals for the creation of a statewide, innovative energy efficiency and distributed renewable energy financing system called *Michigan Saves*. *Michigan Saves* shall serve as an administrative structure that operates a trust fund to serve as an initial capital pool available to finance the installation of energy efficiency measures with no up-front cost to all utility customers (commercial, industrial, residential). In addition, the trust fund may be used to provide a reserve fund for uncollectible expenses, and for the purpose of obtaining low cost monies from financial institutions or other investors. Outcomes of this project would include completion of objectives and tasks, and a comprehensive set of documents and resources that can be used to help demonstrate the process and sequence of the *Michigan Saves* system development.

Through the *Michigan Saves* financing system, a participating utility customer would conveniently make monthly repayment through the customer's normal utility bill, with the utility serving as billing agent. *Michigan Saves* monthly payments will be designed so that participating customers will see a net bill reduction from that which would otherwise be incurred. Qualifying measures are those that are expected to yield energy savings in excess of the *Michigan Saves* monthly payment.

It is the Commission's intent that the *Michigan Saves* on-bill financing system be integrated in a seamless manner with utility Energy Optimization (EO) programs mandated by 2008 PA 295. Utilities that voluntarily agree to offer on-bill financing for *Michigan Saves*, and integrate the program with their 2008 PA 295 EO programs, may be eligible to include energy savings produced by the *Michigan Saves* system in their mandated EO targets upon Commission approval of their EO program. *Michigan Saves* will be required to provide, or contract for, third-party billing for customers of utilities that choose not to participate in the *Michigan Saves* system.

#### **III-B Problem Statement**

Due to the current national financial crisis, many State residents and businesses either have severely limited lines of credit or are unable to obtain credit. The result is that those most severely impacted by the crisis will find it difficult or even impossible to finance energy efficiency improvements, let alone on-site renewable energy equipment. The financial crisis may also adversely impact utility energy efficiency programs, and could make it more difficult for Michigan electricity providers to meet their renewable portfolio standard goals. It is apparent that the ability of energy efficiency rebates or other financial incentives to induce customers to invest in efficiency measures will be restricted if customers do not have the cash to cover the balance of the efficiency measure cost, or are unable to obtain the requisite financing under reasonable terms.

In addition, the low-income customer sector has experienced significant market failures with respect to investment in energy efficiency. The split incentives issue for landlords and tenants has been particularly difficult to resolve. The *Michigan Saves* system is expected to serve as a valuable tool to address the split-incentives issue.

### III-C Objectives

(1) The *Michigan Saves* system will play an important role in improving the economy of the State of Michigan. *Michigan Saves* will create a win-win situation for State residents, businesses, and energy providers by reducing consumer energy expenditures while simultaneously supporting thousands of new jobs, new businesses and business expansion in Michigan. For energy providers, *Michigan Saves* offers a low-cost means of establishing a growing and self-sustaining market for qualifying energy efficiency and renewable energy products and services.

(2) The *Michigan Saves* system has significant potential to improve the adverse impact the nation's financial crisis has had on the ability of Michigan consumers to obtain credit to finance energy efficiency improvements. Thus, the *Michigan Saves* system is a vital component of the State of Michigan's economic stimulus efforts. Additionally, if federal economic stimulus block grants become available to state or local governments, the *Michigan Saves* system will represent an established structure that could receive stimulus monies, thereby expanding the pool of capital available to serve Michigan energy consumers.

(3) Federal economic stimulus block grants, if available in the future, could also allow *Michigan Saves* to specifically direct services toward Michigan households using unregulated delivered heating fuels (e.g., propane or fuel oil). This sector is presently excluded from participation in traditional utility energy efficiency programming efforts, yet propane and fuel oil are primary energy sources for thousands of customers in many rural areas in Michigan. Rural areas are often hard-hit by economic recession.

(4) Importantly, the *Michigan Saves* financing system will not cause participants to incur additional debt obligations since repayments are considered a utility service obligation that is assigned to the utility meter at a particular address. When a customer moves, any remaining *Michigan Saves* payment obligation will pass on to the next customer. It is expected that *Michigan Saves* obligations will not be included on a customer's debt record and will not impact their credit score.

(5) The *Michigan Saves* system will provide substantially enhanced opportunities for customers to take advantage of the 2008 PA 295 EO program offerings such as energy audits and rebates that will be available starting in the summer of 2009. It is the Commission's expectation that the *Michigan Saves* system shall be operational and able to enroll customers by mid-June 2009. Customers of Alternative Electric Suppliers shall be allowed to participate in the *Michigan Saves* system through their local distribution utility.

(6) Under the conceptual framework (see Appendix D), communities or municipalities will have numerous options for partnering with *Michigan Saves*. For example, a

community could partner with *Michigan Saves* by undertaking a grass-roots marketing campaign. If an increased level of interaction were desired, a community could utilize its own funding sources to maintain a targeted trust fund to be directed through *Michigan Saves* financing for the benefit of its own constituencies. A community fund could be derived from sources such as municipal bonds or a community foundation. If a city desired a higher degree of local involvement, it could apply to *Michigan Saves* for certification, so that a local agency would be able to provide services in lieu of the statewide *Michigan Saves* administrative structure. In this case, an administrative fee will be required to provide for certification and oversight from the statewide agency. A statewide *Michigan Saves* administrator must be established before local agencies can be certified.

### **III-D Tasks**

- (1) The project shall develop an advisory board, and establish operational procedures.
- (2) The advisory board shall report to the Commission any additional sources of funding.
- (3) Participants agree to refine existing program options and develop new options in consultation with the advisory board.
- (4) The project shall create and maintain a utility-customer trust fund with monies received from the grant. A minimum of \$6,500,000 from the grant shall be placed into the fund.
- (5) The project shall optimize grant funds to leverage additional private funding for investment in energy efficiency and renewable energy capital improvements.
- (6) The project will be capable of receiving targeted funding from communities or municipalities that will be directed to such communities for special or supplemental *Michigan Saves* products and services.
- (7) The project must develop a plan to minimize overhead expenses, thus maximizing the funding available for the program.
- (8) Develop a comprehensive set of documents and resources that can be used to demonstrate the process and sequence of development of the *Michigan Saves* system.
- (9) Develop the statewide infrastructure required to support the *Michigan Saves* system.
- (10) Work with communities whose local utilities have not chosen to participate in the *Michigan Saves* system to explore the feasibility of inclusion of *Michigan Saves* payments in local property tax bills, or other billing options.
- (11) The project shall develop certification, franchising procedures, and contracts between *Michigan Saves* entities and all engaged parties.

(12) Develop detailed program designs to direct how the *Michigan Saves* system will be implemented for different types of customers.

(13) Work with the Commission to develop a strategy for integration of *Michigan Saves* system with Michigan utility EO programs and renewable energy programs.

(14) Work with the Commission to use *Michigan Saves* as a vehicle for accomplishing the Midwestern Governors Association Energy Security and Climate Stewardship Platform for achieving its goal of 2% per year energy efficiency savings.

(15) Identify institutional barriers on the part of participating customers, vendors, financiers and utility companies and work to resolve them.

(16) Work with utilities who are implementing EO programs to develop specific outreach plans about *Michigan Saves* for Michigan lenders, vendors, customers, organizations providing low-income energy services, builders and contractors, consumer advocacy groups and other stakeholders. Develop comprehensive educational materials for use with such specific target audiences.

(17) Utilities that voluntarily agree to participate in the program will serve as billing agents for *Michigan Saves*. Arrearage and uncollectible expenses will flow to and be borne by the *Michigan Saves* administrator.

(18) Work with regulated utilities that provide on-bill financing for *Michigan Saves* to obtain approval for *Michigan Saves* tariffs through the Commission.

(19) Develop a comprehensive set of guidelines and a manual of practices for *Michigan Saves* local franchises.

(20) Develop a comprehensive set of guidelines for *Michigan Saves* administrative structure actions and decision making.

(21) Customers participating will be required to sign purchase agreements which include itemized measures to be installed, detailed utility bill savings, monthly charges to be billed by and repaid to the utility, and the anticipated duration of the monthly charges.

(22) In order for a measure, service, or package to qualify the majority of the savings must be of the type of energy provided by the sponsoring utility.

(23) All vendors must pre-qualify for participation. A reasonable application fee may be charged by *Michigan Saves*.

(24) The selected applicant will be responsible for accurate accounting records, billing, collections, and repayments to the capital fund and/or vendors. It is also necessary that the *Michigan Saves* administrative structure keep all customer specific data confidential.

(25) The selected applicant will monitor the program and report upon request to the Commission. Report metrics should include types of participating customers, amounts invested, numbers and types of measures, and estimated energy savings (MW & MWh). Reports will not require customer specific information (name, address, account number, etc.)

(26) Up to \$10,000 per year should be used to develop and maintain a *Michigan Saves* website for the purpose of outreach and education for other Midwestern states interested in *Michigan Saves* development.

(27) The project must provide for ongoing process evaluation by a third-party evaluator using a competitive bid process. Two annual reports shall compile process evaluation of program activities throughout each annual period and provide recommendations for program amendment. Reports shall include evaluation of activities with all agencies engaged in the program. The annual reports shall be submitted to the Commission. At the Commission's request, the *Michigan Saves* system agrees to alter program strategies, services, incentives and other tactics pursuant to evaluation findings and recommendations.

(28) The project shall work with Commission staff to provide outreach and education for other Midwestern states interested in similar financing programs. In concert with the Commission, 10 presentations to appropriate Michigan audiences, 10 web conferences, and three Midwestern colloquiums will be made to foster interest in and support the *Michigan Saves* system.

(29) Provide bimonthly report narratives beginning in July 2009, including progress and financial status reports with source documentation, to indicate the amount of funds expended in each line item category of the budget. At the close of the grant period a final report narrative and final financial status report with source documentation are required by October 30, 2011. For further details and due dates see Part IV, Section IV-B, Monitoring and Reporting Program Performance.

(30) Describe how the project will be evaluated to determine how it has improved energy efficiency, promoted the use of renewable energy and energy efficient technologies, and strengthened the economy of Michigan. Include a description of the analysis used to determine the impact. When discussing economic impact, include any economic impacts beyond those achieved through energy savings.

**PART IV**  
**PROJECT CONTROL AND REPORTS**

**IV-A Project Control**

(1) The selected applicant will carry out the project under review of the Grant Administrator. The Michigan Department of Energy, Labor & Economic Growth Grant Administrator shall have final authority over the Agency/Grantee Agreement.

(2) Along with continuous liaison with the selected applicant, the Grant Administrator will meet as needed with the selected applicant's contact person for the purpose of reviewing progress and providing necessary guidance to the selected applicant in solving problems that arise.

(3) Prior to executing any changes to the scope of the project and/or budget, the selected applicant must inform the Grant Administrator in writing outlining the proposed changes.

**IV-B Monitoring and Reporting Program Performance**

The selected applicant will be required to assume responsibility for monitoring and reporting.

(1) **Monitoring.** The selected applicant shall monitor performance to assure that time schedules are being met and projected work by time period is being accomplished.

(2) **Bimonthly Narrative Reports.** The selected applicant shall submit bimonthly narrative reports to the Grant Administrator no later than the 15th of July 2009, September 2009, November 2009, January 2010, March 2010, May 2010, July 2010, September 2010, November 2010, January 2011, March 2011, May 2011, and July 2011. The reports should include the following information at a minimum:

- (a) Name of selected applicant, grant number, and dates of current reporting period.
- (b) Percent (%) completion of the project objectives.
  - (i) Include a brief outline of the work accomplished during the reporting period and the work to be completed during the subsequent reporting period.
  - (ii) Explain the type of services provided and the anticipated energy savings as a result of the program.

- (iii) Include actual expenditures compared to the budget in the Grant Agreement.
- (c) Noteworthy accomplishments.
- (d) Brief description of problems or delays, real or anticipated, which should be brought to the attention of the Grant Administrator.
- (e) Statement concerning any significant deviation from previously agreed-upon Work Statement, Part III.

(3) **Financial Status Reports (FSR) and/or Payment Requests.** The selected applicant shall submit a signed and dated FSR to the Grant Administrator indicating the amount of funds expended in each line item category of the budget. Financial status reports are due the 15th of July 2009, September 2009, November 2009, January 2010, March 2010, May 2010, July 2010, September 2010, November 2010, January 2011, March 2011, May 2011, and July 2011. Payment requests will be submitted as needed.

- (a) Form #C-108 shall be used for both FSRs and payment requests. Form #C-108 in MS Excel will be electronically provided to the selected applicant by the Grant Administrator.
- (b) Indicate in box #6 on Form #C-108 "Payment Request" or "Financial Status Report." A payment request may be submitted in lieu of or in addition to an FSR.
- (c) Attach source documentation as specified in Part II, Section II-G, Accounting.
- (d) The expenditure of state funds shall be incurred within the grant period and reported by line item and compared to the budget.
- (e) In-kind or matched fund expenditures must occur within the established timeline for this grant and must be supported by source documentation.
- (f) An individual authorized by the organization must sign and date Form #C-108 (box #14).

(4) **Final Narrative Report.** The selected applicant will do the following:

- (a) Submit a draft of the final report no later than October 30, 2011.
- (b) After the Grant Administrator has determined the completeness and factual accuracy of the report, the selected applicant shall submit a final copy of the report to the Grant Administrator.
- (c) The final report shall include the following information at a minimum:



- (i) Name of selected applicant, grant number, and dates of final reporting period.
- (ii) Percent (%) completion of the project objectives.
- (iii) A summary of the project implementation plan and any deviations from the original plan as proposed.
- (iv) The total estimated amount of energy savings for the year, and the basis for the estimation.
- (v) Project evaluation including the impact of the proposed project on energy efficiency, the economy of Michigan, and the use of energy efficient technologies.
- (vi) Accomplishments and problems experienced while carrying out project activities.
- (vii) Coordinated efforts with other organizations to complete the project.
- (viii) Impacts, anticipated and unanticipated, experienced as a result of project implementation.
- (iv) Financial expenditures of grant money and other contributions to the project, in-kind and/or direct funding.
- (x) Any experience in applying the project products and anticipated “next steps.”
- (ix) Actual expenditures compared to the budget in the Grant Agreement. Include the basis or reason for any discrepancies.

(5) **Final Financial Status Report (FSR)/Final Payment Request.** The selected applicant shall submit a signed and dated final FSR to the Grant Administrator indicating the amount of funds expended in each line item category of the budget along with the final report by October 30, 2011.

- (a) On Form #C-108, indicate in box #5 “Final.”
- (b) Attach source documentation as specified in Part II, Section II-G, Accounting.
- (c) The expenditure of state funds shall be incurred within the grant period and reported by line item and compared to the budget.

- (d) In-kind or matched fund expenditures must occur within the established timeline for this grant and must be supported by source documentation.
- (e) An individual authorized by the organization must sign and date Form #C-108 (box #14).

## **PART V**

### **INFORMATION REQUIRED FROM APPLICANT**

Grant proposals must be typed in a 12 point font with no more than 40 numbered, double-spaced pages (this count includes any cover page and/or attachments). Hard copy proposals must be single-sided, and must have an original signature. Electronically submitted proposals must have a scanned signature or e-signature.

Applicant(s) must provide responses to each section below. Please follow the format identified by stating the section number and title followed by the response. Be as descriptive as possible and answer each question in its entirety; some questions have multiple components. Questions that do not apply should be answered "NA."

#### **V-A Identification of Organization**

State the full name and address of the organization, the organization's federal identification number, the telephone and fax number, and if applicable provide the names, addresses, electronic mail addresses and telephone numbers of person(s) that will perform, or assist in performing, the work hereunder.

#### **V-B Authorized Negotiator**

State the name of one (1) contact person, his/her telephone and fax number, and electronic mail address. The contact person *must* be authorized to be the negotiator for the proposed Grant Agreement with the State.

#### **V-C Method for Addressing the Problem**

State in succinct terms the applicant's proposed method for addressing the problem presented in this RFP, see Part III, Section III-B, Problem Statement.

#### **V-D Management Summary**

(1) Describe the management procedures that will be used by the organization to accomplish set goals.

(2) Describe how the organization will coordinate with other organizations to accomplish set goals.

(3) Explain how staff will be trained and monitored.

- (4) Describe “lessons learned” regarding administration and management of energy projects funded by the LIEEF and other grant programs in previous years.
- (5) Describe the organization’s quality control measures.
- (6) Indicate the type of accounting systems/software the organization will use to account for grant funds.
- (7) Indicate whether the organization prepares financial statements and how often.
- (8) Describe the organization’s internal control over accounting.
- (9) Indicate whether the organization performs internal audits of its operations.
- (10) Include a detailed organizational chart including names and titles of all employees that will contribute in any way to the project.

#### **V-E Work Plan**

- (1) Describe in narrative form the plan and required tasks for accomplishing the work proposed.
- (2) Indicate and justify the estimated number of staff that will spend time working on the project, and provide a description of the work to be performed.
- (3) Provide a discussion of the proposed timeline to complete the work.
- (4) Explain how this plan will be coordinated with other services offered by the applicant or other service agencies.
- (5) Describe how energy savings will be quantified.
- (6) Describe how the project will be evaluated to determine how it has improved energy efficiency, promoted the use of energy efficient technologies, and strengthened the economy of Michigan. Include a description of the analysis used to determine the impact. When discussing economic impact, include any economic impacts beyond those achieved through energy savings.

#### **V-F Current and Prior Experience Disclosure**

Current and prior experience in conducting the type of work proposed is important to the selection process. Proposals submitted should include:

(1) A description of the organization's experience in conducting the type of work proposed. Include current activities and activities for the previous five (5) years. Include project results.

(2) If applicant received a LIEEF award in prior years for the type of project proposed, provide a summary of project accomplishments, including noteworthy accomplishments, and problems encountered in carrying out grant responsibilities and how the problems were resolved.

(3) Current funding source(s) and the level of funding for the current year and the previous five (5) years.

## **V-G Personnel**

Applicants must be able to staff a project team that clearly possesses talent and experience in conducting the type of work proposed. In the narrative, identify the authorized contact person and key personnel to be involved with this project, by name and title, and provide their qualifications. Also, provide the Issuing Office with a resumé for each person listed on the budget, including persons listed under in-kind or matched funds.

If other organizations will be playing a role in the proposed project in coordination with this grant, provide sufficient background information on them in order to give the Issuing Office a reasonable understanding of their qualifications.

## **V-H Time Frame**

The State contemplates the grant period will start in May 2009 and will end on September 30, 2011.

Applicants are required to provide a timeline for completing the planned activities and tasks for their grant project from May 6, 2009 to September 30, 2011. In particular, it is desired that customer enrollment in *Michigan Saves* can commence in early June 2009 corresponding with implementation of utility EO plans. A month-to-month format shall include, at a minimum:

- (1) significant project tasks for deliverables described in Part V, Section V-E, Work Plan; and
- (2) the required dates for all reports due to the Issuing Office.

## **V-I Budget Considerations**

To enable the Issuing Office to evaluate all project costs, applicants shall submit a proposed budget *and* a corresponding budget narrative, in accordance with the format and timeline for this project.

A budget narrative must be provided that identifies the budget line item and number, provides a detailed description for each, and includes individual unit prices (refer to Appendix A).

Changes in the budget of less than 5% of the total line item amount do not require prior written approval, but selected applicant must provide notice to the Grant Administrator.

Changes in the budget equal to or greater than 5% of the total line item amount will be allowed only upon prior review and written approval by the Grant Administrator. A formal grant amendment must be signed by both the grantor and grantee.

Disallowed costs include but are not limited to the following: sick pay, vacation pay, holiday pay, parking, tuition reimbursement/remission, vehicle allowance, car rental, seminars, conferences, meetings, subscriptions, dues, and memberships.

### **(1) Budget Format**

The proposed budget shall display five (5) headings identified as the: # Line, Budget Line Items, MPSC Share, In-Kind or Matched Funds, and Total. The budget line items that need to be included, at a minimum, are listed below. The budget should reflect the best estimate of actual costs. Refer to the budget example in Appendix A.

(a) **Personnel** – include the name and salary for each staff position to be paid for by this grant, job title, anticipated number of hours to be worked, hourly rate, *basic* fringe benefits, if any, totals for each position and a total for all personnel costs. Time sheets, and payroll registers must be submitted and hours worked must be grant related. Fringe benefits cannot exceed 50% of the employee's salary. Allowable benefits include health insurance, dental insurance, and optical insurance.

(b) **Supplies, Materials, & Equipment** – please specify unit(s) and unit cost.

(c) **Contractual Services** – must be competitively bid.

(d) **Travel** – please specify; travel rates may be obtained at [web.cis.state.mi.us/fast/travreg.htm/](http://web.cis.state.mi.us/fast/travreg.htm/). Meals and lodging must be supported by receipts and reason for travel. Mileage must be supported by travel logs with beginning and ending mileages, destination, and reason for travel. Out-of-State travel must be directly related to the grant project and approved by the Grant Administrator.

(e) **Other Expenditures** – please specify item(s) and costs.

(f) **Indirect Costs** – please list items separately; indirect costs shall be based on a percentage of budget line items listed under the State share column only; carry-out to four (4) decimal places. Indirect costs can be defined as costs not directly or specifically related to the grant program, but are costs of administering the company and must be spread over a number of products, services, or grant programs proportionately. Examples include but are not limited to office supplies, utilities, rent, maintenance and repair, insurance, accounting and bookkeeping services, legal services, and grant administration. Please refer to Appendices B and C for the calculation of the organization's indirect cost percentage, and indirect cost allocable to the LIEEF grant.

(g) **Total** – project amounts for each column.

(h) **Direct Costs** – costs that are approved by the Issuing Office and incurred in direct relation to producing specific goods or performing a specific service in association with the proposed grant project. Typical direct costs are: compensation of employees for the time devoted and identified specifically to the performance of the grant award; cost of materials acquired, consumed, or expended specifically for the grant award; equipment and other approved capital expenditures; and travel expenses incurred specifically to carry out the grant.

## (2) **Additional Budget Information**

(a) At such time that proposals are approved by the Commission, modifications of proposals may be necessary. If the Commission does not award the total amount requested in the original proposal, selected applicant will be required to submit a revised proposal for the purpose of entering into a Grant Agreement. For those receiving less than requested in their proposals, the proportion of direct costs to indirect costs will remain the same as in the original request. New line items to the revised budget are not allowed.

(b) Selected applicant assumes the responsibility for ensuring the grant project is performed within the established timeline.

(c) Selected applicant assumes the responsibility of ensuring all unexpended grant funds are returned to the State of Michigan at the end of the grant period. Failure to do so may render the selected applicant ineligible for future grant awards that may be available from the LIEEF.

(d) The in-kind or matched fund obligation must be spent proportionately throughout the grant period based on the percentage of the grant award spent. Should the entire State share of the grant award be expended; the entire in-kind and/or matched funds must be spent and supported by source documentation. If the entire State share of the grant award is not spent, the in-kind and/or matched funds may be reduced proportionately by the percentage of the grant award not spent.

(e) Indirect costs *must be proportionately reduced* if the selected applicant does not expend the entire grant award by the end of the grant term. The adjustment for the reduction shall be calculated by determining the percentage of the grant not spent. This percentage is the amount to be reduced from the indirect costs total. Indirect costs shall be based

on a percentage of the budget line items listed under the State share column. Indirect costs must be utilized for this grant within the established timeline.

(f) Provide details on other funds available to the applicant's organization that will be used directly for this grant project, or to cover administrative and overhead expenses, and the anticipated source of those funds.

(g) Selected applicant may not commingle grant award funds with current or future grant funds received from the LIEEF. Grants from each funding source must be managed, reported, and accounted for separately from all funding sources.

(h) Should selected applicant cease business operations or dissolve the *Michigan Saves* program, remaining capital derived from the LIEEF must be returned to the State of Michigan. Forthcoming payments to the *Michigan Saves* program will be required to be returned to the State of Michigan. Selected applicant will be required to establish means of collection for the impending payments and returning the monies back to the State of Michigan should the program be dismantled.

(i) Competitive Bidding. Selected applicant assumes responsibility to select subcontractors on a competitive basis.

- (i) Bids should be solicited from non-affiliated companies.
- (ii) A minimum of three (3) bids must be received and must include, at a minimum:
  - (a) name of selected applicant, grant number, and grant period; and
  - (b) the type, number, and description of projects as described in the proposal.
- (iii) The subcontractor(s) shall mail or email a copy of their bid directly to: Cornell Pettiford, Grant Administrator, Michigan Public Service Commission, Management Services Division, 6545 Mercantile Way, Lansing, Michigan 48911, or [pettifordc@michigan.gov](mailto:pettifordc@michigan.gov).
- (iv) The selected applicant must award the project to the lowest bid. A higher bid selection must have prior written approval by the Grant Administrator.
- (v) When awarding subcontracts, the selected applicant shall ensure that preference is given to products manufactured or services offered by Michigan-based firms.



**V-J Additional Information and Comments**

Include in this section any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP.

**V-K Certification of Proposal**

Please sign the proposal and include the following language:

I certify that all information contained in the proposal is true to the best of my knowledge and belief, and that the organization is in compliance and agreement with all sections of the Request for Proposal.

Certified by: \_\_\_\_\_  
Authorized Signatory and Title  
Name of Organization

## PART VI

### SELECTION CRITERIA

All proposals received shall be subject to an evaluation by the Issuing Office. The evaluation will be conducted to select an organization to perform the proposed grant project within the established timeline. Initial screening of the executive summaries will be conducted according to Part I, Section I-D, Review Process.

Total points equal 100.

#### 1. Organizational structure of applicant (35 points)

- (a) Capability of applicant to represent the interest of all natural gas and electric utility customers (residential, commercial, industrial) in the State of Michigan (20 points).
- (b) Ability of applicant to represent the interests of low-income utility customers in the State of Michigan (10 points).
- (c) Ability of the applicant to work in a constructive manner with both regulated and unregulated utilities in the State of Michigan (5 points).

#### 2. Management summary (15 points)

- (a) Is the management team qualified to carry out the initiative (5 points)?
- (b) Effectiveness of quality control measures to realize the full potential of the *Michigan Saves* construct and to maximize impact on the State's residents, businesses, and economy of Michigan (10 points).

#### 3. Proposal (35 points)

- (a) Potential of the proposal to improve the adverse impact the national financial crisis has had on Michigan's utility customers' ability to invest in energy efficiency improvements, to significantly expand energy efficiency resources, provide economic stimulus and job development (10 points)?
- (b) Is the proposal creative, innovative, and soundly developed (5 points)?
- (c) Will the proposal interface smoothly with the PA 295 mandated energy efficiency programs and at the same time provide the potential for expanded energy efficiency resources above and beyond what would otherwise be achieved under the mandated programs (20 points)?

**4. Work plan (10 points)**

- (a) Reasonableness of timeline for achieving operational status (5 points).
- (b) The quality of the plan to develop and implement the project (5 points).

**5. Budget (5 points)**

- (a) Budget line items are reasonable and detailed as requested (5 points).

## APPENDIX A (Michigan Energy Efficiency)

### V-I Budget Considerations (Numerals must be rounded to whole dollar)

(Organization's Name)

Line #	Budget Line Items	MPSC Share	In-Kind or Matched (not required)	Total
1	<b>Personnel (if applicable)</b>			
2	Salary: Name, job title, hours x rate of pay	0	0	0
3	Basic Benefits: Associated with job title above. Be specific.	0	0	0
4	Total Salaries	0	0	0
5	Total Basic Benefits:	0	0	0
6	<b>Total Personnel:</b>	0	0	0
7	<b>Direct Supplies, Materials, and Equipment (if applicable)</b>			
8	Name of item, number of units x cost/unit	0	0	0
9	<b>Total Supplies, Materials, and Equipment:</b>	0	0	0
10	<b>Contractual Services - Bid Out (if applicable)</b>			
10	<b>In narrative explain how bidding will be conducted</b>			
11	Name, job title, hours x rate of pay			
11	(In narrative describe service to be performed)	0	0	0
12	<b>Total Contractual Services-Bid Out:</b>	0	0	0
13	<b>Travel (if applicable). Must use State of Michigan travel rates.</b>			
13	<b>In narrative provide reason for travel.</b>			
14	Name and job title	0	0	0
15	Meals for this individual	0	0	0
16	Lodging for this individual	0	0	0
17	Mileage for this individual (\$.399 per mile)	0	0	0
18	<b>Total Travel:</b>	0	0	0
19	<b>Other Expenses (if applicable)</b>			
19	<b>In narrative provide detailed explanations</b>			
20	Name of Item, number of units x cost/unit	0	0	0
21	<b>Total Other Expenses:</b>	0	0	0
22	<b>Indirect Costs (if applicable) (Not to exceed 20%)</b>			
22	<b>Decimal percentage: . _ _ _ _</b>			
23	<b>See Appendices B and C</b>	0	--	--
24	<b>Total Indirect Costs:</b>	0	--	--
25	<b>Total Project Costs:</b>	0	0	0

## APPENDIX B

### ***Indirect Calculations:***

*In lines 1-14 enter all indirect costs associated with the operations of your organization.*

1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Total*	
16	Percentage - LIEEF grant award divided by total revenue**	
17	Multiply line 15 by line 16 (equals total Indirect related to this grant program)	
18	Subtract line 17 from total Grant Award	
19	Divide line 17 by line 18 (Indirect percentage)	
20	Not to exceed 20%***	

\*The above expenses are based on a 12 month grant cycle. If this were a 9 month grant cycle, the total indirect expenses (line 15) should be divided by 12 and then multiplied by 9 before moving onto line 16.

\*\*Calculate total revenue for the grant cycle and divide the LIEEF grant award by that amount.

\*\*\*If line 15 exceeds 20%, Indirect must default to 20%.

## APPENDIX C

### ***Indirect Calculations:***

#### ***SAMPLE***

*In lines 1-14 enter all indirect costs associated with the operations of your organization.*

1	Rent	12,000.00
2	Utilities	9,800.00
3	Computer Maintenance	7,800.00
4	Office Supplies	3,600.00
5	Building Maintenance	4,700.00
6	Administrative Assistant	23,000.00
7	Administrative Assistant Benefits	11,500.00
8	Legal	2,000.00
9	Accountant	6,000.00
10	Insurance	16,000.00
11	Grant Administrator	46,000.00
12	Grant Administrator Benefits	23,000.00
13		
14		
15	Total*	165,400.00
16	Percentage – LIEEF grant award divided by total revenue**	0.6667
17	Multiply line 15 by line 16 (equals total Indirect related to this grant program)	<b>\$110,266.67</b>
18	Subtract line 17 from total Grant Award	\$889,733.33
19	Divide line 17 by line 18 (Indirect percentage)	<b>0.1239</b>
20	Not to exceed 20% ***	

Based on total revenue of \$1,500,000 with a LIEEF grant award of \$1,000,000

\*The above expenses are based on a 12 month grant cycle. If this were a 9 month grant cycle, the total indirect expenses (line 15) should be divided by 12 and then multiplied by 9 before moving onto line 16. (i.e. \$165,400/12 = 13783.34, \$13783.34 X 9 = \$124,050.06).

\*\*Calculate total revenue for the grant cycle and divide the LIEEF grant award by that amount.

\*\*\*If line 15 exceeds 20%, Indirect must default to 20%

## *Michigan Saves System* Conceptual Work and Money Flows

